

AMENDED IN SENATE SEPTEMBER 9, 2003

AMENDED IN SENATE JULY 15, 2003

AMENDED IN SENATE JULY 2, 2003

AMENDED IN ASSEMBLY JUNE 3, 2003

AMENDED IN ASSEMBLY JUNE 2, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 457

Introduced by Assembly Member Negrete McLeod

February 14, 2003

An act to add and repeal Sections 20901.5, 20901.6, 20902.6, 20904.5, and 31641.06 of, and to repeal, add, and repeal Section 20903.5 of, the Government Code, relating to public employees' retirement, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 457, as amended, Negrete McLeod. Public employees' retirement: early retirement incentives.

(1) The Public Employees' Retirement Law authorizes specified state, local, and school employees, including state judicial and legislative employees, upon a specified determination by their employer, to receive credit for an additional 2 years of service if those employees retire within a designated period and certain other conditions are met.

This bill would authorize specified state, *local*, and school employees, including state judicial and legislative employees and employees of the California State University, upon a specified determination by their employer and, in the case of state *and university* employees, upon a certification of cost savings by their employer, to receive credit for ~~an additional up to 2 additional years of service and or 2 additional years of age, or both, and, in certain circumstances, to receive service credit for accrued leave time~~ if those employees retire within a designated period, prior to January 1, 2005, and certain other conditions are met. ~~The bill would also authorize local employees, upon that specified determination by their employer and, in the case of state employees, upon a certification of cost savings by their employer, to receive credit for up to 2 additional years of service or 2 additional years of age, or both, if those employees retire within a designated period, prior to January 1, 2005, and certain other conditions are met.~~

(2) Under the County Employees Retirement Law of 1937 a county board of supervisors may, by resolution making specified determinations, provide that members of the county's retirement system are eligible to receive up to 2 years of additional service credit if the members retire within a designated period and certain other conditions are met.

This bill would authorize a county board of supervisors, by resolution making specified determinations, to provide that members of the county's retirement system are eligible to receive up to 2 additional years of service credit or up to 2 additional years of age, or both, *and to receive service credit for accrued leave time*, if the members retire within a designated period prior to January 1, 2005, and certain other conditions are met.

(3) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 20901.5 is added to the Government
2 Code, to read:
3 20901.5. (a) Notwithstanding Section 20901 or 20902, or
4 any other provision of this part, ~~an additional two years of~~
5 *additional service and an additional two years of age or credit for*

additional age, or both, shall be credited to a state member, other than a school member, but including a state member described in Section 20324 ~~and a state member employed by the California State University~~, if the following conditions exist:

(1) The member meets the service requirements of Section 21060 or 21074 and retires within the period designated in the memorandum of understanding or designated by the Department of Personnel Administration with respect to excluded employees, as provided in paragraph ~~(3)~~ *(4). The designated period may not be less than 30 days nor more than 120 days in length.*

(2) The state employer determines that the best interests of the state would be served by encouraging the retirement of state members and transmits to the retirement fund an amount determined by the board that is equal to the actuarial equivalent of the difference between the allowance the member receives after the receipt of ~~service and age credit~~ *credit for additional service or age, or both*, under this section and the amount the member would have received without that ~~service and age~~ credit. The transfer to the retirement fund shall be made in a manner and time period acceptable to the employer and the board.

(3) *The member is employed in a job classification, or other organizational unit designated by the appointing power, as defined in Section 18524. "Organizational unit" may be a department, division, section, location, work unit, or any other grouping defined by the appointing power.*

(4) This section has been made applicable to the employer and the member pursuant to a memorandum of understanding between the employer and the representative employee organization or, with respect to excluded employees, the Department of Personnel Administration has approved their inclusion ~~in writing to the board~~. *In order to limit the costs and improve the efficiency of the program established by this section, the memorandum of understanding, or the Department of Personnel Administration with respect to excluded employees, may limit participation in the program by bargaining unit, job classification, benefit level, length of service, or other criteria.*

~~(4) (A)~~

(5) The Department of Finance demonstrates and certifies that operation of this section will result in a net savings to the ~~agency~~

1 ~~or department, other than the California State University, agency~~
2 ~~or department during the 2003–04 fiscal year.~~

3 ~~(B) In the case of the California State University, the Trustees~~
4 ~~of the California State University demonstrate and certify that~~
5 ~~operation of this section will result in a net savings to the~~
6 ~~university, during the 2003–04 fiscal year.~~

7 ~~(b) The amount of service credit and additional age shall each~~
8 ~~be two years regardless of credited service or age, but may not~~

9 *(b) The amount of additional credit for service or age, or both,*
10 *provided under this section shall be that amount designated in the*
11 *memorandum of understanding, or by the Department of*
12 *Personnel Administration with respect to excluded employees, but*
13 *may not be more than two years of additional service and two years*
14 *of additional age, awarded in whole year increments, regardless*
15 *of credited service and may not exceed the number of years*
16 *intervening between the date of the member's retirement and the*
17 *date the member would be required to be retired because of age.*

18 *(c) If specified in the memorandum of understanding, or by the*
19 *Department of Personnel Administration with respect to excluded*
20 *employees, any employee who receives the additional service*
21 *credit or credit for age provided in this section shall receive*
22 *additional service credit for any unused or accumulated vacation*
23 *or annual leave or for any time off to which he or she is entitled by*
24 *reason of previous overtime work where compensating time off for*
25 *overtime work is provided for by the appointing power or by rules*
26 *of the department. This additional service credit shall be in lieu of*
27 *any lump-sum payment that would have otherwise been due under*
28 *Sections 19839 and 19840. The actuarially determined present*
29 *value of the additional service credit may not exceed the amount*
30 *of the lump-sum payment that would have been otherwise due*
31 *under Sections 19839 and 19840.*

32 *(d) Any member who qualifies under this section, upon*
33 *subsequent reentry to this system, shall forfeit the age and service*
34 *credit acquired under this section.*

35 ~~(d)~~

36 *(e) This section is not applicable to any member otherwise*
37 *eligible if the member receives any unemployment insurance*
38 *payments arising out of employment with an employer subject to*
39 *this part during a period extending one year after the effective date*

1 of this section or if the member is not eligible to retire without the
2 additional age or service credit available under this section.

3 ~~(e)~~

4 *(f) Additional service credit granted pursuant to this section*
5 *may not be counted to meet the minimum qualifications for service*
6 *or disability retirement or for health care benefits, or any other*
7 *benefits based on years of service credited to the member.*

8 *(g) This section shall remain in effect only until January 1,*
9 *2005, and as of that date is repealed, unless a later enacted statute,*
10 *that is enacted before January 1, 2005, deletes or extends that date.*

11 SEC. 2. *Section 20901.6 is added to the Government Code, to*
12 *read:*

13 *20901.6. (a) Notwithstanding Section 20901 or any other*
14 *provision of this part, additional service credit, credit for*
15 *additional age, or both, shall be credited to a state member*
16 *employed by the California State University, if the following*
17 *conditions exist:*

18 *(1) The member meets the service requirements of Section*
19 *21060 or 21074 and retires within the period designated in the*
20 *memorandum of understanding, or designated by the Trustees of*
21 *the California State University with respect to excluded*
22 *employees, as provided in paragraph (4). The designated period*
23 *may not be less than 30 days nor more than 120 days in length.*

24 *(2) The Trustees of the California State University determine*
25 *that the best interests of the state would be served by encouraging*
26 *the retirement of state members and transmit to the retirement fund*
27 *an amount determined by the board that is equal to the actuarial*
28 *equivalent of the difference between the allowance the member*
29 *receives after the receipt of credit for additional service or age, or*
30 *both, under this section and the amount the member would have*
31 *received without that credit. The transfer to the retirement fund*
32 *shall be made in a manner and time period acceptable to the*
33 *Trustees of the California State University and the board.*

34 *(3) The member is employed in a job classification, or other*
35 *organizational unit designated by the Trustees of the California*
36 *State University. "Organizational unit" may be a department,*
37 *division, section, location, work unit, or any other grouping*
38 *defined by the Trustees of the California State University.*

39 *(4) This section has been made applicable to the employer and*
40 *the member pursuant to a memorandum of understanding between*

1 *the employer and the representative employee organization or,*
2 *without respect to excluded employees, the Trustees of the*
3 *California State University have approved their inclusion. In order*
4 *to limit the costs and improve the efficiency of the program*
5 *established by this section, the memorandum of understanding, or*
6 *the Trustees of the California State University with respect to*
7 *excluded employees, may limit participation in the program by*
8 *bargaining unit, job classification, benefit level, length of service,*
9 *or other criteria.*

10 (5) *The Trustees of the California State University demonstrate*
11 *and certify that operation of this section will result in a net savings*
12 *to the university during the 2003–04 fiscal year.*

13 (b) *The amount of additional credit for service or age, or both,*
14 *provided under this section shall be that amount designated in the*
15 *memorandum of understanding, or by the Trustees of the*
16 *California State University with respect to excluded employees,*
17 *but may not be more than two years of additional service and two*
18 *years of additional age, awarded in whole year increments,*
19 *regardless of credited service and may not exceed the number of*
20 *years intervening between the date of the member's retirement and*
21 *the date the member would be required to be retired because of age.*

22 (c) *If specified in the memorandum of understanding, or by the*
23 *Trustees of the California State University with respect to excluded*
24 *employees, any employee who receives the additional service*
25 *credit or credit for age provided in this section shall receive*
26 *additional service credit for any unused or accumulated vacation*
27 *or annual leave or for any time off to which he or she is entitled by*
28 *reason of previous overtime work where compensating time off for*
29 *overtime work is provided for by the employer. This additional*
30 *service credit shall be in lieu of any lump-sum payment that would*
31 *have otherwise been due under Sections 19839 and 19840. The*
32 *actuarially determined present value of the additional service*
33 *credit may not exceed the amount of the lump-sum payment that*
34 *would have been otherwise due under Sections 19839 and 19840.*

35 (d) *Any member who qualifies under this section, upon*
36 *subsequent reentry to this system, shall forfeit the age and service*
37 *credit acquired under this section.*

38 (e) *This section is not applicable to any member otherwise*
39 *eligible if the member receives any unemployment insurance*
40 *payments arising out of employment with an employer subject to*

1 *this part during a period extending one year after the effective date*
2 *of this section or if the member is not eligible to retire without the*
3 *additional age or service credit available under this section.*

4 (f) *Additional service credit granted pursuant to this section*
5 *may not be counted to meet the minimum qualifications for service*
6 *or disability retirement or for health care benefits, or any other*
7 *benefits based on years of service credited to the member.*

8 (g) *This section shall remain in effect only until January 1,*
9 *2005, and as of that date is repealed, unless a later enacted statute,*
10 *that is enacted before January 1, 2005, deletes or extends that date.*

11 SEC. 3. Section 20902.6 is added to the Government Code, to
12 read:

13 20902.6. (a) Notwithstanding Section 20902.5 or any other
14 ~~provision of this part, an additional two years of service and an~~
15 ~~additional two years of age~~ *provision of this part, additional*
16 *service credit or credit for additional age, or both, shall be credited*
17 *to state members who are employed in an organizational unit of the*
18 *judicial branch, if the following conditions exist:*

19 (1) The member meets the service requirements of Section
20 21060 or 21074.

21 (2) The member retires for service during the period designated
22 by the Chief Justice, which period shall commence on a date after
23 the effective date of this section and shall expire on a date prior to
24 January 1, 2005. The Chief Justice shall make that designation
25 within 15 days after the effective date of this section. *The*
26 *designated period may not be less than 30 days nor more than 120*
27 *days in length.*

28 (3) The Chief Justice determines that the best interests of the
29 state would be served by encouraging the retirement of employees
30 of the judicial branch and agrees to transmit to the retirement fund
31 an amount determined by the board that is equal to the actuarial
32 equivalent of the difference between the allowance the member
33 receives after the receipt of ~~service and age credit~~ *credit for*
34 *additional service or age, or both, under this section and the*
35 *amount the member would have received without that credit. The*
36 *transfer to the retirement fund shall be made in a manner and time*
37 *period acceptable to the employer and the board.*

38 ~~(b) The amount of service credit acquired under this section~~

39 (4) *The member is employed in a job classification, or other*
40 *organizational unit designated by the Chief Justice.*

1 “Organizational unit” may be a department, division, section,
2 location, work unit, or any other grouping defined by the Chief
3 Justice.

4 (b) The amount of additional credit for service or age, or both,
5 provided under this section shall be that amount designated by the
6 Chief Justice, but may not be more than two years of additional
7 service and two years of additional age, awarded in whole year
8 increments, regardless of credited service and may not exceed the
9 number of years intervening between the date of the member’s
10 retirement and the date the member would be required to be retired
11 because of age.

12 (c) If specified by the Chief Justice, any employee who receives
13 the additional service credit or credit for age provided in this
14 section shall receive additional service credit for any unused or
15 accumulated vacation or annual leave or for any time off to which
16 he or she is entitled by reason of previous overtime work where
17 compensating time off for overtime work is provided for by the
18 employer. This additional service credit shall be in lieu of any
19 lump-sum payment that would have otherwise been due to the
20 employee. The actuarially determined present value of the
21 additional service credit may not exceed the amount of the
22 lump-sum payment that would have been otherwise due.

23 (d) Any member who qualifies under this section, upon
24 subsequent reentry to this system shall forfeit the service credit
25 acquired under this section. Any member who qualifies under this
26 section is not eligible for additional service credit under Section
27 20902.5.

28 ~~(d)~~

29 (e) This section is not applicable to any member otherwise
30 eligible if the member receives any unemployment insurance
31 payments arising out of employment with an employer subject to
32 this part during a period extending one year beyond the first day
33 of the period designated by the Chief Justice pursuant to paragraph
34 (2) of subdivision (a) or if the member is not eligible to retire
35 without the additional credit available under this section.

36 ~~(e)~~

37 (f) The Chief Justice shall certify that it is his or her intention
38 at the time that this section is made operative that if any employees
39 retire after receipt of credit for additional service and age pursuant
40 to this section, that any vacancies created, or at least one vacancy

in any position in any department or other organizational unit, shall remain permanently unfilled, thereby resulting in an overall reduction in cost and in the workforce of the department or organizational unit.

(f)

(g) *The Chief Justice shall demonstrate and certify that operation of this section will result in a net savings to the judicial branch. The demonstration and certification shall take into account the expected rate of retirement absent the retirement incentive and the fiscal impact of providing the additional benefits to those employees.*

(h) *Additional service credit granted pursuant to this section may not be counted to meet the minimum qualifications for service or disability retirement or for health care benefits, or any other benefits based on years of service credited to the member.*

(i) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends that date.

~~SEC. 3.~~

SEC. 4. Section 20903.5 of the Government Code is repealed.

~~SEC. 4.~~

SEC. 5. Section 20903.5 is added to the Government Code, to read:

20903.5. (a) Notwithstanding Section 20903 or any other provision of this part, when the governing body of a contracting agency, other than a school employer, determines that the best interests of the agency would be served by encouraging the retirement of local members, the governing body may adopt a resolution, pursuant to a memorandum of understanding between the employer and the representative employee organization, to grant employees of the contracting agency up to two years of additional service credit or credit for up to two additional years of age, or both, awarded in whole year increments, if the following conditions exist:

(1) The local member is eligible to retire and retires within the period designated in and subsequent to the effective date of the resolution, or any additional period or periods designated in any subsequently adopted resolution of the governing body of the contracting agency. *The designated period may not be less than 30 days nor more than 120 days in length.*

1 (2) The governing body agrees to transmit to the retirement
2 fund an amount determined by the board that is equal to the
3 actuarial equivalent of the difference between the allowance the
4 member receives after the receipt of ~~service and age credit~~ *credit*
5 *for additional service or age, or both*, under this section and the
6 amount he or she would have received without that ~~service and age~~
7 credit. The transfer to the retirement fund shall be made in a
8 manner and time period acceptable to the employer and the board.
9 The governing body may elect that the manner and time period of
10 payment may be conducted pursuant to subdivision (b) of Section
11 20903.

12 ~~(b)~~

13 (3) *The member is employed in a job classification, or other*
14 *organizational unit designated in the resolution. ‘Organizational*
15 *unit’ may be a department, division, section, location, work unit,*
16 *or any other grouping defined in the resolution.*

17 (b) *If specified in the memorandum of understanding, any*
18 *employee who receives the additional service credit or credit for*
19 *age provided in this section shall receive additional service credit*
20 *for any unused or accumulated vacation or annual leave or for any*
21 *time off to which he or she is entitled by reason of previous overtime*
22 *work where compensating time off for overtime work is provided*
23 *for by the employer. This additional service credit shall be in lieu*
24 *of any lump-sum payment that would have otherwise been due to*
25 *the employee. The actuarially determined present value of the*
26 *additional service credit may not exceed the amount of the*
27 *lump-sum payment that would have been otherwise due.*

28 (c) The governing body may, by resolution, grant the additional
29 credit provided under this section to eligible management or
30 nonrepresented employees only if it is provided to represented
31 employees of the same job classification, department, or
32 organizational unit.

33 ~~(e)~~

34 (d) The amount of service credit and additional age shall each
35 be the amount determined by the governing body regardless of
36 credited service or age, but may not exceed the number of years
37 intervening between the date of the member’s retirement and the
38 date the member would be required to be retired because of age.

39 ~~(d)~~

(e) *The governing body shall demonstrate and certify that operation of this section will result in a net savings to the contracting agency. The demonstration and certification shall take into account the expected rate of retirement absent the retirement incentive and the fiscal impact of providing the additional benefits to those employees.*

(f) A governing body that elects to make the payment prescribed by paragraph (2) of subdivision (a) shall make the payment with respect to all eligible employees who retire during the specified period.

~~(e)~~

(g) Any member who qualifies under this section, upon subsequent reentry to this system, shall forfeit the age and service credit acquired under this section.

~~(f)~~

(h) This section is not applicable to any member otherwise eligible if the member receives any unemployment insurance payments arising out of employment with an employer subject to this part during a period extending one year beyond the date of the resolution or if the member is not eligible to retire without the additional age or service credit available under this section.

~~(g)~~

(i) The governing body shall certify that it is its intention at the time that this section is made operative that if any employees retire after receipt of credit for additional service or age, or both, pursuant to this section, that any vacancies created, or at least one vacancy in any position in any department or organizational unit, shall remain permanently unfilled, thereby resulting in an overall reduction in cost and in the workforce of the department or organizational unit.

~~(h)~~

(j) A member receiving additional service and age credit pursuant to this section is not eligible for any other early retirement incentive provided in any other statute.

~~(i)~~

(k) *Additional service credit granted pursuant to this section may not be counted to meet the minimum qualifications for service or disability retirement or for health care benefits, or any other benefits based on years of service credited to the member.*

(1) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

~~SEC. 5.~~

SEC. 6. Section 20904.5 is added to the Government Code, to read:

20904.5. (a) Notwithstanding Section 20904 or any other provision of this part, when the county superintendent of schools or chancellor of a community college district determines that the best interests of the district would be served by encouraging the retirement of school members, the superintendent or chancellor may adopt a resolution to grant all school members employed by the district an additional two years of service credit and credit for an additional two years of age *the district additional service credit or credit for additional age, or both*, if the following conditions exist:

(1) The member is eligible to retire and retires within the period designated in and subsequent to the effective date of the contract amendment. *The designated period may not be less than 30 days nor more than 120 days in length.*

(2) The superintendent or chancellor agrees to transmit to the retirement fund an amount determined by the board that is equal to the actuarial equivalent of the difference between the allowance the member receives after the receipt of ~~service and age credit~~ *credit for additional service or age, or both*, under this section and the amount he or she would have received without ~~the service and age~~ *that credit*. The transfer to the retirement fund shall be made in a manner and time period acceptable to the employer and the board.

~~(b) The amount of service credit and additional age shall each be two years regardless of credited service or age, but may not~~

(3) *The member is employed in a job classification, or other organizational unit designated by the county superintendent of schools or chancellor of a community college district. 'Organizational unit' may be a district, department, division, section, location, work unit, or any other grouping defined by the county superintendent of schools or chancellor of a community college district.*

(b) *The amount of additional credit for service or age, or both, provided under this section shall be that amount designated by the*

1 *superintendent or chancellor, but may not be more than two years*
2 *of additional service and two years of additional age, awarded in*
3 *whole year increments, regardless of credited service and may not*
4 *exceed the number of years intervening between the date of the*
5 *member's retirement and the date he or she would be required to*
6 *be retired because of age.*

7 *(c) If specified by the county superintendent of schools or*
8 *chancellor of a community college district, any employee who*
9 *receives the additional service credit or credit for age provided in*
10 *this section shall receive additional service credit for any unused*
11 *or accumulated vacation or annual leave or for any time off to*
12 *which he or she is entitled by reason of previous overtime work*
13 *where compensating time off for overtime work is provided for by*
14 *the employer. This additional service credit shall be in lieu of any*
15 *lump-sum payment that would have otherwise been due to the*
16 *employee. The actuarially determined present value of the*
17 *additional service credit may not exceed the amount of the*
18 *lump-sum payment that would have been otherwise due.*

19 *(d) The superintendent or chancellor shall demonstrate and*
20 *certify that operation of this section will result in a net savings to*
21 *the county or community college district. The demonstration and*
22 *certification shall take into account the expected rate of retirement*
23 *absent the retirement incentive and the fiscal impact of providing*
24 *the additional benefits to those employees.*

25 *(e) A superintendent or chancellor that elects to make the*
26 *payment prescribed by paragraph (2) of subdivision (a) shall make*
27 *the payment with respect to all eligible employees who retire*
28 *during the specified period.*

29 ~~(d)~~

30 *(f) Any member who qualifies under this section, upon*
31 *subsequent reentry to this system, shall forfeit the age and service*
32 *credit acquired under this section.*

33 ~~(e)~~

34 *(g) This section is not applicable to any member otherwise*
35 *eligible if the member receives any unemployment insurance*
36 *payments arising out of employment with an employer subject to*
37 *this part during a period extending one year after the date of the*
38 *resolution or if the member is not eligible to retire without the*
39 *additional age or service credit available under this section.*

40 ~~(f)~~

1 (h) *Additional service credit granted pursuant to this section*
2 *may not be counted to meet the minimum qualifications for service*
3 *or disability retirement or for health care benefits, or any other*
4 *benefits based on years of service credited to the member.*

5 (i) This section shall remain in effect only until January 1,
6 2005, and as of that date is repealed, unless a later enacted statute,
7 that is enacted before January 1, 2005, deletes or extends that date.

8 ~~SEC. 6.~~

9 SEC. 7. Section 31641.06 is added to the Government Code,
10 to read:

11 31641.06. (a) When the board of supervisors, by resolution,
12 determines that because of an impending curtailment of service or
13 change in the manner of performing service, savings of money, or
14 other economic benefit resulting to the county, the best interests of
15 the county would be served, a member shall be eligible to receive
16 additional service credit or credit for additional age, or both, if the
17 following conditions exist:

18 (1) The member is employed in a job classification, county
19 department, or county organizational unit included in the
20 resolution adopted by the board of supervisors.

21 (2) The member retires on or between dates specified by the
22 board of supervisors in its resolution. In no event shall the
23 specified period exceed 180 days.

24 (3) The county transmits to the retirement fund an amount
25 determined by the board of retirement that is equal to the actuarial
26 equivalent of the difference between the allowance the member
27 receives after the receipt of service or age credit, or both, under this
28 section and the amount the member would have received without
29 that credit. The transfer to the retirement fund shall be made in a
30 manner and time period acceptable to the county and the board of
31 retirement.

32 ~~(b)~~

33 (4) *The member is employed in a job classification, or other*
34 *organizational unit designated in the resolution. "Organizational*
35 *unit" may be a district, department, division, section, location,*
36 *work unit, or any other grouping defined by the resolution.*

37 (b) *If specified in the resolution, any employee who receives the*
38 *additional service credit or credit for age provided in this section*
39 *shall receive additional service credit for any unused or*
40 *accumulated vacation or annual leave or for any time off to which*

1 *he or she is entitled by reason of previous overtime work where*
2 *compensating time off for overtime work is provided for by the*
3 *employer. This additional service credit shall be in lieu of any*
4 *lump-sum payment that would have otherwise been due to the*
5 *employee. The actuarially determined present value of the*
6 *additional service credit may not exceed the amount of the*
7 *lump-sum payment that would have been otherwise due.*

8 (c) The additional credit provided under this section may not be
9 provided to management or nonrepresented employees unless it is
10 also provided to represented employees of the same job
11 classification, department or organizational unit.

12 ~~(e)~~

13 (d) The amount of additional credit for service or age, or both,
14 provided under this section shall be that amount as the board of
15 supervisors determines but may not be more than two years of
16 additional service and two years of additional age, awarded in
17 whole year increments, regardless of credited service and may not
18 exceed the number of years intervening between the date of the
19 member's retirement and the date the member would be required
20 to be retired because of age.

21 ~~(d)~~

22 (e) *The board of supervisors shall demonstrate and certify that*
23 *the operation of this section will result in a net savings to the*
24 *county. The demonstration and certification shall take into*
25 *account the expected rate of retirement absent the retirement*
26 *incentive and the fiscal impact of providing the additional benefits*
27 *to those employees.*

28 (f) A county that elects to make the payment prescribed by
29 subdivision (a) shall make that payment with respect to all eligible
30 employees who retire during the period specified by the board of
31 supervisors.

32 ~~(e)~~

33 (g) This section is not applicable to any member otherwise
34 eligible if the member receives any unemployment insurance
35 payments during the period six months prior to the period specified
36 pursuant to subdivision (a). This section is not applicable to any
37 member who is not eligible to retire without the additional service
38 or age credit available under this section.

39 ~~(f)~~

(h) This section is not applicable in any county until it is adopted by ordinance of the board of supervisors. Any county may adopt or readopt this section from time to time as conditions may warrant. This section is not applicable in any district whose employees are members of the system pursuant to Section 31557 until it is adopted by ordinance by the governing body of the district. Any district whose employees are members of the system pursuant to Section 31557 may adopt or readopt this section from time to time as conditions warrant.

~~(g)~~

(i) Any member who qualifies under this section shall, upon subsequent reentry to county employment, forfeit the additional age and service credit acquired under this section, unless the reentry is a result of a temporary callback as permitted in Section 31680.1, 31680.2, 31680.3, or 31680.6.

~~(h)~~

(j) A member receiving additional service and age credit pursuant to this section is not eligible for additional service credit provided pursuant to Section 31641.04.

~~(i)~~

(k) This section is not subject to the provisions of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1.

~~(j)~~

(l) The governing body shall certify that it is its intention at the time that this section is made operative that if any employees retire after receipt of credit for additional service or age, or both, pursuant to this section, that any vacancies created, or at least one vacancy in any position in any department or organizational unit, shall remain permanently unfilled, thereby resulting in an overall reduction in cost and in the workforce of the department or organizational unit.

~~(k)~~

(m) Additional service credit granted pursuant to this section may not be counted to meet the minimum qualifications for service or disability retirement or for health care benefits, or any other benefits based on years of service credited to the member.

(n) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends that date.

~~SEC. 7.~~

1 *SEC. 8.* This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety
3 within the meaning of Article IV of the Constitution and shall go
4 into immediate effect. The facts constituting the necessity are:

5 In order to realize the economies resulting from the early
6 retirement of state, local, and school employees, and to thereby
7 ameliorate the budget shortfall in the 2003–04 fiscal year, it is
8 necessary that this act take effect immediately.

